GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:443
ANSWERED ON:25.08.2006
RURAL BUSINESS HUBS .
Ponnuswamy Shri Mohan

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) The details of Rural Business Hubs functioning in each State, location-wise

(b) The aim and objectives of such hubs;

(c) The source of funding of these hubs;

(d) The details of governing bodies constituted for the purpose;

(e) Whether the Rural Business Hub scheme is likely to be extended to the remaining States, if any; and

(f) If so, the time by which it is likely to be extended?

Answer

MINISTER OF RURAL DEVELOPMENT (DR. RAGHUVANSH PRASAD SINGH)

(a) to (f) A statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No. 443 due for reply on 25.08.2006

(a) 50 MOUs have been signed for setting up Rural Business Hubs (RBH) in the States of Uttaranchal, Haryana, Uttar Pradesh, Karnataka and Tamil Nadu. The details, location-wise, is placed

at Annexure − I.

(b) Following are the aims and objectives of RBH.

AIM

Usher in prosperity to the rural areas of the country and all sections of the society by reaping the benefits of rapid economic growth unleashed through the economic reforms and synergistically harnessing the relation between resource/ skill rich rural areas and technology/marketing skills of the industry, the entire process mediated/ facilitated by empowered PRIs.

OBJECTIVES

1. To promote agriculture and allied activities as growth engines for rural development.

2. To promote Rural Non-Farming Enterprises (RNFE) so that rural employment is generated.

3. To identify rural products which have potential for national/international markets and standardize their quality.

4. To ensure value addition in rural products so that the rural income is enhanced.

5. To identify interested Business Houses having required marketing/technical skills.

6. To foster mutually beneficial relations between the producers and business houses as identified above.

7. To facilitate e-enabled information services in rural areas which will act as information Hubs for further development.

8. To facilitate smooth credit flow to viable business propositions.

9. To identify business opportunities in the field of bio diesel and develop them.

10. To identify business options in the field of distribution of power and develop them.

11. To achieve convergence of Central Sector Schemes (CSSs) and relevant institutions at the Block Panchayat level.

12. To build the capacity of PRIs to plan the economic development of their areas and implement these plans.

(c) The following have been envisaged as sources of funding to the Rural Business Hubs

i. The Rural Business Hubs have been envisaged as business proposition on Public-Private-Panchayat- Partnership (PPPP) and are expected to be self-generating and self-supporting.

ii. However, it may call for initial start up investments or it may involve a gestation period for which funds are to be mobilized by one or more of the partners

iii. This partnership may get incorporated as a formal company under the Companies Act in which case there will be equity contribution, borrowings from financial institutions, debentures etc. as per the provisions of the Company Act.

iv. The venture may get registered as Partnership Firm in which the partners will be contributing and there will be institutional borrowings

v. There are a number of schemes of the line Ministries having financial assistance which can be availed of.

(d) There is no Governing Body for the RBHs as such and individual RBHs are to be managed by the structure to be agreed between partners and included as conditions in the MOU. However, the following institutions are in placed for facilitating and overseeing the implementation of the concept:

i. There is a National RBH Council chaired by Minister for Panchayati Raj and co-chaired by Shri S.K. Munjal of CII (Confederation of Indian Industries).

ii. National RBH Executive Committee with Secretary (PR) as chairperson.

iii. There are RBH Councils in 12 States headed by Minister/Secretary, Panchayati Raj Department and comprising members from the industries, departments of the State Government, financial institutions etc.

(e) & (f) Yes, Sir. This initiative has been extended to all States/UTs having Panchayati Raj Institutions. RBH Councils are in the process of being established in the remaining States/UTs.